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July 13, 2006

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: NSTAR Electric Company, D.T.E. 06-40

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter are the responses to the Information Requests set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert N. Werlin", written in a cursive style.

Robert N. Werlin

Enclosures

cc: Service List

Responses to Information Requests

AG-1-1 [**BULK ATTACHMENT**]

AG-2-9

AG-2-10

AG-3-7

AG-4-4 [**BULK ATTACHMENT**]

AG-4-5

Information Request AG-1-1

Please provide complete copies of Cambridge Electric Light Company's and Commonwealth Electric Company's bond indenture agreements.

Response

**[BULK ATTACHMENT]**

Please refer to Attachment AG-1-1.

Information Request AG-2-9

Refer to Exh. CLV-8. Please explain, in detail, how the individual class rate changes were determined. Provide bill impact analyses for each rate class identify the typical use for each class.

Response

Please refer to Exhibit NSTAR-CLV-1 at page 28. Exhibit CLV-8 sets forth illustrative changes to transmission and distribution rates based upon the impact of the 2005 costs of the 13.8 kV system. The existing transmission rates for each rate class are adjusted downward by an amount equal to the existing rate times the ratio of the 13.8 kV revenue requirement to the total transmission revenue requirement for that year.

13.8 kV	\$13.421 million	Exhibit NSTAR-CLV-7 (2005 costs)
Total Transmission	\$44.155 million	D.T.E. 05-89 (initial filing), 2006 estimates
Ratio	0.303952	

The existing distribution rates for each rate class are adjusted upward by the exact amount of the transmission rate reductions. As shown on the Exhibit NSTAR-CLV-8, there no customer impacts at any usage levels due to the transfer of the 13.8 kV revenue requirement. See also the response to Information Request MIT-1-17.

Information Request AG-2-10

Refer to Exh. CLV-3, page 80 (Cross Subsidization Verification). Please provide copies of all analyses, all related communications (internal and external), and other documentation supporting the assertions made.

Response

It was not necessary to perform a study or other analysis in connection with Exhibit M, which was prepared in light of the following facts that were already known to Mr. Judge and NSTAR personnel at the time Exhibit M of the application to FERC was prepared:

- the book value of the facilities is unaffected by the consolidation;
- only regulated utilities who keep their accounts in accordance with USA are involved in the consolidation;
- none of the companies involved in the consolidation has unregulated subsidiaries;
- the consolidation does not produce accretions to earnings of the parent or any other subsidiary;
- except for Boston Edison's assumption of all the rights and obligations of Cambridge, Commonwealth and Canal, there are no pledges or assumed encumbrances of any kind;
- the consolidation will not have an impact on the allocation of centralized service company costs to unregulated affiliates;
- the consolidation does not affect transactions between regulated and unregulated affiliates and, in any event, any and all such transactions will continue to be accounted for at their fully loaded costs.

Information Request AG-3-7

Refer to Exh. CLV-1, page 19, lines 22-23. Please provide a list of each of the costs that will be reclassified for each of the Companies. Include the FERC Account Number to which each cost is currently booked for each of the Companies, the Account Number to which it will be booked after the reclassification and the reason for the reclassification.

Response

The Companies currently record some Hydro-Quebec transmission-related costs in different FERC accounts reflecting different accounting practices that existed before the merger that created NSTAR. Cambridge and Commonwealth record those costs in FERC Account 565, Transmission of Electricity by Others, while Boston Edison records those accounts in FERC Account 567, Rents. Going forward, the Companies will record these costs in FERC Account 567. Additionally, the Companies currently record some transmission related revenues in FERC Account 454, Rent from Electric Property and in FERC Account 456, Other Electric Revenues, also reflecting different accounting practices that existed before the merger that created NSTAR. Going forward, the Companies will record these costs in FERC Account 454, or the newly created FERC Account 454.1.

Information Request AG-4-4

Please provide the fully allocated, embedded cost of service for the 13.8kV system when the Cambridge rates were unbundled. The response should be in the form of an allocated cost of service study. Include all supporting documentation, workpapers, calculations and assumptions.

Response

**[BULK ATTACHMENT]**

Attachment AG-4-4 sets forth the fully allocated, functionalized embedded cost of service study for Cambridge that was used in support of the unbundling and restructuring of Cambridge rates under D.P.U./D.T.E 97-111. The 13.8 kV system within the study consists of the costs associated with the columns labeled as 13.8 kV substation and 13.8 kV lines under the distribution function.

Information Request AG-4-5

Is it more beneficial (economically) for customers to have the 13.8kV costs classified as distribution, as proposed, or for the 13.8kV costs to continue to be recovered according to the terms of the transmission tariff? Provide all supporting documentation, analyses, Workpapers, calculations and assumptions.

Response

There is no economic difference for customers to have the 13.8 kV costs classified as distribution or transmission since, as explained in Exhibit NSTAR-CLV-1, page 25, lines 6-12, the transfer will be revenue-neutral.